

IN COMPUTING TAXABLE NET EARNINGS, A FINANCIAL INSTITUTION SHALL INCLUDE ONLY THAT PART OF INTEREST DERIVED FROM THE TRADE OR BUSINESS, IN THIS STATE, OF THE SUBSIDIARIES OF THE FINANCIAL INSTITUTION, IF THE FINANCIAL INSTITUTION IS A HOLDING COMPANY BECAUSE ITS ONLY ACTIVITIES ARE TO:

- (1) MAINTAIN AND MANAGE INTANGIBLE INVESTMENTS; AND
- (2) COLLECT AND DISTRIBUTE INCOME FROM INTANGIBLE INVESTMENTS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 128A(g), as it authorized allocation, and (h).

Subsection (a) of this section is revised to incorporate the substance of former Art. 81, § 128(c)(2). As to the transfer of former Art. 81, § 128(a) through (h-1) to the Session Laws, see the General Revisor's Note to this subtitle.

Subsection (a) of this section also is revised to allow a financial institution, rather than the Director, to allocate net earnings. Therefore, the reference to "the manner that the Department requires" is added as a general reference to the duties of the Department under § 8-211(2) of this subtitle.

In the introductory language of subsection (b) of this section, the defined term "financial institution" is substituted for the former reference to "a corporation subject to tax under this section", for clarity.

Defined terms: "Company" § 8-101
"Comptroller" § 1-101 "Department" § 1-101
"Financial institution" § 8-101
"Net earnings" § 8-201

8-207. TAX CREDIT -- FOR ESTIMATED TAXES.

A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL INSTITUTION FRANCHISE TAX EQUAL TO THE ESTIMATED TAX PAID UNDER § 8-210(B) OF THIS SUBTITLE.

REVISOR'S NOTE: This section is new language derived without substantive change from the second sentence of former Art. 81, § 128A(e)(2), as that sentence related to a tax credit for estimated taxes paid.

This section is revised to incorporate the substance of former Art. 81, § 128(c)(3)(ii). As to the transfer of former Art. 81, § 128(a) through (h-1) to the Session Laws, see the General Revisor's Note to this subtitle.